

[DISCUSSION DRAFT]

118TH CONGRESS
1ST SESSION

H. R. _____

To amend title XI of the Social Security Act to increase transparency of certain health-related ownership information.

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title XI of the Social Security Act to increase transparency of certain health-related ownership information.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the **[“_____ Act”]**.

1 **SEC. 2. MANDATORY REPORTING WITH RESPECT TO CER-**
2 **TAIN HEALTH-RELATED OWNERSHIP INFOR-**
3 **MATION.**

4 Part A of title XI of the Social Security Act (42
5 U.S.C. 1301 et seq.) is amended by adding at the end
6 the following new section:

7 **“SEC. 1150D. MANDATORY REPORTING WITH RESPECT TO**
8 **CERTAIN HEALTH-RELATED OWNERSHIP IN-**
9 **FORMATION.**

10 **“(a) MANDATORY REPORTING WITH RESPECT CER-**
11 **TAIN HEALTH-RELATED OWNERSHIP INFORMATION.—**

12 **“(1) INITIAL REPORT.—**Not later than January
13 1, 2024 (or in the case of a specified entity formed
14 after January 1, 2024, within 60 days of becoming
15 a specified entity), each specified entity (as defined
16 in subsection (f)(5)) shall submit to the Secretary,
17 in a form and manner specified by the Secretary, the
18 following information:

19 **“(A)** Data on mergers, acquisitions, and
20 changes in ownership with respect to such spec-
21 ified entity for the previous 1-year period.

22 **“(B)** In the case that a specified entity is,
23 or includes, a hospital, the additional informa-
24 tion described in subsection (b).

25 **“(C)** As applicable, the name, address, and
26 business structure of the parent company of

1 such specified entity (including the business
2 type and the tax status of such parent com-
3 pany).

4 “(D) Any other information with respect to
5 ownership of a specified entity, as determined
6 by the Secretary.

7 “(2) SUBSEQUENT REPORTS.—Not later than 1
8 year after submitting the report under paragraph
9 (1), and annually thereafter, each specified entity
10 shall submit to the Secretary an updated report, in-
11 cluding—

12 “(A)(i) data on mergers, acquisitions, and
13 changes in ownership with respect to such enti-
14 ties for the previous 1-year period; and

15 “(ii) any other information with re-
16 spect to ownership of a specified entity, as
17 determined by the Secretary; and

18 “(B) in the case that a specified entity is,
19 or includes, a hospital, the additional informa-
20 tion described in subsection (b).

21 “(b) ADDITIONAL INFORMATION SUBMITTED BY
22 CERTAIN SPECIFIED ENTITIES.—For purposes of para-
23 graphs (1)(B) and (2)(B) of subsection (a), with respect
24 to a specified entity that is, or includes, a hospital, the

1 information described in this subsection is the following
2 information with respect to the previous 1-year period:

3 “(1) The business structure of the specified en-
4 tity, including the business type and the tax status
5 of such entity.

6 “(2) The average debt-to-earnings ratio of the
7 specified entity.

8 “(3) The average amount of debt incurred—

9 “(A) by the hospital; and

10 “(B) by the entire specified entity.

11 “(4) Information with respect to real estate
12 leases and purchases for property used, or intended
13 to be used, to furnish or otherwise support the provi-
14 sion of health care services.

15 “(5) In the case of a non-profit hospital, a sub-
16 sidiary of a non-profit hospital, or a 501(c)(3) entity
17 that shares common ownership with a non-profit
18 hospital, capital gains investments (disaggregated by
19 the type of investment) and any taxes paid on such
20 gains from such investments.

21 “(6) As applicable, information with respect to
22 the parent company of such specified entity.

23 “(c) PUBLIC REPORTING.—Not later than January
24 1, 2025, and annually thereafter, the Secretary shall post
25 on a publicly available website of the Department of

1 Health and Human Services a report with respect to the
2 previous 1-year period, including—

3 “(1) the number of specified entities reporting
4 for such year, disaggregated by the business struc-
5 ture of each specified entity;

6 “(2) the number of owners of each specified en-
7 tity;

8 “(3) any change in ownership for each specified
9 entity;

10 “(4) any change in the tax status of a specified
11 entity;

12 “(5) an analysis of trends in horizontal and
13 vertical consolidation, disaggregated by business
14 structure and provider type; and

15 “(6) as applicable, the name, address, and busi-
16 ness structure of the parent company of such speci-
17 fied entity (including the business type and the tax
18 status of such parent company).

19 “(d) AUDITS.—The Secretary shall conduct an an-
20 nual audit consisting of a random sample of specified enti-
21 ties to verify compliance with the requirements of this sec-
22 tion and the accuracy of information submitted pursuant
23 to this section.

24 “(e) PENALTY FOR FAILURE TO REPORT.—If a spec-
25 ified entity fails to provide a report under subsection (a),

1 or submits a report containing false information, such en-
2 tity shall be subject to a civil monetary penalty of not more
3 than \$5,000,000 for each such report not provided or con-
4 taining false information. Such penalty shall be imposed
5 and collected in the same manner as civil money penalties
6 under subsection (a) of section 1128A are imposed and
7 collected under that section.

8 “(f) DEFINITIONS.—In this section:

9 “(1) HEALTH PLAN.—The term ‘health plan’
10 has the meaning given such term in section
11 1128C(c).

12 “(2) HOSPITAL.—The term ‘hospital’ has the
13 meaning given such term in section 1861(e).

14 “(3) INDEPENDENT FREESTANDING EMER-
15 GENCY DEPARTMENT.—The term ‘independent free-
16 standing emergency department’ has the meaning
17 given such term in section 2799A–1(a)(3)(D) of the
18 Public Health Service Act.

19 “(4) PRIVATE EQUITY COMPANY.—The term
20 ‘private equity company’ means a publicly-traded or
21 non-publicly traded company that collects capital in-
22 vestments from individuals or entities and purchases
23 an ownership share of a provider.

24 “(5) SPECIFIED ENTITY.—The term ‘specified
25 entity’ means—

1 “(A) a hospital;

2 “(B) a physician-owned physician practice
3 employing more than 25 physicians for a year;

4 “(C) a physician practice owned by a hos-
5 pital, a health plan, a private equity company,
6 or a venture capital firm;

7 “(D) an ambulatory surgical center meet-
8 ing the standards specified under section
9 1832(a)(2)(F)(i); or

10 “(E) an independent freestanding emer-
11 gency department.

12 “(6) VENTURE CAPITAL FUND.—The term ‘ven-
13 ture capital fund’ has the meaning given such term
14 in section 275.203(l)–1of title 17, Code of Federal
15 Regulations.”.